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TAGS: PREL IT EUN ESDP SUBJECT: ITALY'S EU PRESIDENCY: VIEWS ON FIRST IGC SESSION

REF: ROME 4654

Classified By: POLITICAL MINISTER COUNSELOR TOM COUNTRYMAN. REASON: 1. 5 (B)(D)

(C) SUMMARY: The Italian EU Presidency views the results of the Summit for the opening of the Intergovernmental Conference (IGC) on the European Constitution quite positively, and is hopeful that it was the beginning of a process in which European leaders start to see the constitution in terms of European, rather than national interests. Roadblocks that remain in front of agreement include the UK's red-line on Qualified Majority Voting (QMV) on CFSP issues, Spain's reluctance to modify weighted voting arrangements, and an overall lack of specificity in the draft constitution and resulting lack of understanding of proposals among some member states. END SUMMARY.

BETTER THAN RIVA

- On October 6, the MFA's Director for EU Institutional Issues, Giuseppe Buccino, told poloffs that that the Italian Presidency viewed the results of the Summit for the opening of the Intergovernmental Conference on the European Constitution quite positively. The mood of the delegations was "far better after the IGC than after the (informal ministerial) meeting at Riva del Garda." While acknowledging that there remained fundamental differences on some aspects of the draft treaty among some member states, Buccino said that he was "astonished" at the spirit of compromise that defined most of the meeting. Italy is hopeful that the IGC's work can be completed during the Italian Presidency, but that is not an essential condition for producing a document ready to sign by May 2004. If the IGC can forge "political" agreement on major issues by the end of December, the Irish Presidency could convene additional IGC sessions to "elaborate" details on more complicated areas of the treaty. This would certainly apply to areas of the treaty/constitution dealing with Common Foreign and Security Policy (CFSP).
- 13. (C) The key is to build on the momentum of the Convention and IGC; any pause in the process risks "unraveling" the hard won compromises forged during the convention, emphasized Buccino. Aside from the Euro-elections and enlargement, the other event driving a spring 2004 completion for the constitution is the beginning of deliberations for the next EU budget in 2006. Buccino is therefore hopeful that the IGC summit was the beginning of a process in which European leaders start to see the constitution in terms of European, rather than national interests.

ROADBLOCKS REMAIN

 $\P4$. (C) Buccino is realistic about the roadblocks that remain in front of agreement, even at the political level, on fundamental constitutional issues. For instance, the UK's red-line on Qualified Majority Voting (QMV) on CFSP issues, and its insistence that it will never give up the veto on security decisions, even if down the road there is a strong

push from the Council to move away from consensus decision making on security matters. Spain's reluctance to compromise on favorable (and according to Buccino unfair, based on its size) voting arrangements it obtained in the Nice treaty may also become a problem, particularly if some of the smaller new members look to maximize their influence through such weighted voting arrangements.

COOPERATION ON SECURITY

 $\P5.$ (C) Buccino said he saw an increasing level of cooperation and agreement among Germany, France and the UK regarding structured cooperation for ESDP. He was unsure how the seeming contradiction between the UK's red line on consensus for security decisions and having a core group drive ESDP could be overcome. Buccino thought that the core could be given a mandate to take decisions within parameters

established by all member states, but this was an area that

would require further study, debate and compromise. Buccino assured poloffs structured cooperation would not include a separate (Tervuren) HQ for planning. Reftel provides more detail on security issues from EU informal Defense Ministers meeting.

THE ROAD AHEAD - MORE SPECIFICITY NEEDED

- 16. (C) Buccino said that other institutional issues will require creative thinking and willingness to compromise to reach agreement by December. Member states are understandably nervous about the powers to be accorded the proposed EU foreign minister and "double-hatting" the position under both the Commission and Council. Buccino said that the IGC must enhance the framework language in the current draft treaty, giving it a level of specificity and clarity that will allow member states to sign on with confidence. Despite press reports to the contrary, Buccino claimed that there was little support among member states for retaining the six-month rotation for the Council Presidency. The problem is that the alternative of 2-1/2 year presidency for the European Council with "team presidencies" for individual councils has not been adequately explained to member states similarly for the composition of the Commission. According to Buccino, Italy will see to it that the IGC sessions between now and December provide more precise text.
- 17. (C) Comment: The Italian government remains hopeful that it can complete the IGC during its Presidency, and knows that extended debate could jeopardize that goal. However, the Presidency took a much lighter stand on October 4 than it did at Riva on September 6, when Frattini declared that the job of the IGC was only to fine-tune the Convention's draft and that opening major chapters of the document to discussion should be forbidden. Another sign of the Presidency's attempt to placate those in the EU who want to see more, rather than less debate is the decision to revise the work plan for the remainder of the IGC based on the results of the October 4 meeting, to post it on the Presidency web-site, and to allow ongoing revisions which take into account progress or the lack of it on individual issues. Italy's success in bringing the IGC to a close during its Presidency will depend on FM Frattini's and PM Berlusconi's ability to strike a balance between allowing open debate over a document that is supposed to bring more transparency to EU decision-making, and the need to exercise its leadership as Council Presidency by quickly forging compromises and limiting discussion to complete the process on time.

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